

December 1, 2022

### **U.S.-EU Trade and Technology Council: 3<sup>rd</sup> Ministerial Business Priorities**

In preparation for the December 5 Ministerial meeting of the U.S.-EU Trade and Technology Council (TTC), BusinessEurope and the U.S. Chamber of Commerce urge the TTC principals to act expeditiously to strengthen the transatlantic commercial relationship and enhance our shared competitiveness. This is more important than ever given the challenging geopolitical backdrop and severe economic headwinds we face.

An ambitious and productive TTC can strengthen our economies, prepare our societies to embrace emerging technologies, and respond effectively to challenges from non-market economies that do not share our values. The U.S. and EU must not miss this moment. The TTC should work to remove barriers to transatlantic trade in goods and services and ensure a level playing field as we navigate the digital and green transitions.

To translate the potential of the TTC into tangible results, we recommend the EU and the U.S. prioritize the following outcomes:

1. **Finalize and Implement the EU-U.S. Data Privacy Framework:** Quick implementation of the new Framework is essential. Announcing a new EU data adequacy assessment for transfers to the United States would demonstrate the two sides' capacity to achieve concrete outcomes. In addition, as we secure progress on personal data, it is equally vital to avoid new restrictions on industrial non-personal data flows arising from the proposed EU Data Act.
2. **Prevent New Trade Frictions:** Both sides should seize the opportunities stemming from the green and digital transitions while avoiding the creation of new barriers to transatlantic trade. The EU and U.S. must identify, address, and resolve emerging problems that risk undermining the spirit of bilateral cooperation between allies and can lead to damaging retaliation. These include addressing concerns about discriminatory treatment in the U.S. Inflation Reduction Act; avoiding discrimination and market-distorting measures in European digital regulatory policy; securing effective alignment between export control regimes; ensuring that the EU's anticipated Carbon Border Adjustment Mechanism is WTO-compliant and non-discriminatory, providing a level-playing field among affected industries; and developing joint efforts to boost the availability of semiconductors, while avoiding a subsidy race.
3. **Coordinate Approaches to Emerging Technologies:** The U.S. and EU should accelerate cooperation on emerging technologies, in particular joint 6G research, implementing common principles on Artificial Intelligence (AI), and enhancing joint efforts to advance international standardisation in line with WTO/TBT principles. Such cooperation can help create economies of scale and facilitate trade, while also reinforcing our shared values of transparency, openness, democratic participation, and supporting global governance models in accordance with the Declaration of the Future of the Internet. The 2<sup>nd</sup> Ministerial communiqué cited these as key priorities, and concrete outcomes are key to encourage innovation and ensure market democracies set the global model.
4. **Foster Digital Infrastructure and Connectivity:** Business welcomes expanded transatlantic coordination on financing digital infrastructure projects in third countries, including through a Memorandum of Understanding between the U.S. International

Development Finance Corporation (DFC) and the European Investment Bank (EIB). This coordination should ensure technology-neutral financing for secure, high-performing, and energy efficient connectivity. Private sector participation in the design of telecom networks rollout and digital infrastructure development is paramount. The TTC could foster innovative business models under a public-private collaboration scheme ensuring legal certainty.

5. **Streamline Conformity Assessment:** The U.S. and EU can relieve rising cost pressures by making conformity assessment processes more efficient, reducing whenever possible the regulatory burden on public authorities and companies, as well as avoiding unnecessary delays and duplicative regulatory approvals. For instance, fostering transatlantic cooperation to develop complex generic medicines to prevent duplication and respond better to patient needs.
6. **Expand and Enhance Mutual Recognition Agreements:** The EU and the U.S. should urgently enhance existing Mutual Recognition Agreements (MRAs) and expand regulatory cooperation. For example, the MRA for pharmaceutical manufacturing should be extended to cover vaccines as well as inspections of manufacturing sites in third countries. Governments also should work with stakeholders to identify areas where new MRAs can be established, for example on standards for electric or autonomous vehicles.
7. **Promote Best Practices for New Trade Rules:** Coordinate EU and U.S. efforts to ban forced labor and implement supply chain due diligence requirements to prevent emergence of new trade disruptions. Coherent, consistent approaches are more likely to achieve our shared objectives and will enhance companies' ability to comply with new legal requirements.
8. **Invest in Climate and Clean Tech Solutions:** Given the ambitions on both sides of the Atlantic to achieve a clean and secure energy transition, the EU and the U.S. should work towards improving transatlantic trade and investment in climate smart technologies. For instance, regulators should explore common approaches to accelerate government approval processes for new renewable and other clean energy projects so that our ambitious carbon reduction targets can be met in a timely manner.
9. **Deepen Third-Country Cooperation:** Businesses on both sides of the Atlantic support continued coordination to improve efficiency of sanctions and export controls imposed in response to Russia's invasion of Ukraine. Sustained cooperation to enforce and expand these controls to counter Russia is essential. Policymakers also must redouble efforts to coordinate on meaningful near-term responses to China's discriminatory data and forced technology transfer policies, massive industrial subsidies, and other practices that inhibit fair competition or penalize companies behaving in accordance with market economy principles. Finally, policymakers should use the Ministerial to announce measures that address coercive and restrictive regulatory and legal policies in other major emerging markets, as well as actions that undermine market access, intellectual property rights (including rejecting the unwarranted expansion of the WTO TRIPS waiver to therapeutics and diagnostics), and cross-border data flows.
10. **Improve Stakeholder Engagement:** Continuous and better structured engagement with stakeholders will enable policymakers to address topics that are most relevant for workers, consumers, companies, and citizens. Implementing effective supply chain early warning systems, building infrastructure projects in third countries, and developing risk-based approaches to AI are best achieved in close consultation with the companies directly affected by such measures. Only by actively engaging stakeholders in the process can the TTC's ambitious objectives be achieved.

By urgently securing tangible improvements in the areas above—and finalizing durable solutions to long-standing disputes on steel, aluminium, and large civil aircraft—the TTC can strengthen our commercial relationship, foster mutually beneficial trade and investment, and encourage continued cooperation on shared challenges. The U.S. Chamber and BusinessEurope stand ready to support the work of the TTC to ensure it delivers on its considerable promise.

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